



**Modern Slavery Joint Statement for Acciona Energy  
Australia Global Pty Ltd and Acciona Energy Oceania  
Construction Pty Ltd**

**FY2020**



## About this statement

As an international group, ACCIONA S.A. and its group subsidiaries are pioneers in projects globally and have experience in more than 65 countries on 5 continents. The group globally offers viable solutions to create prosperous and sustainable societies.<sup>1</sup> This statement uses the term **group** to refer to steps taken by the ACCIONA global group, inclusive of the relevant Australian reporting entities. Where this statement refers to just the term ACCIONA, this denotes the reporting entities and not to the ACCIONA group as a whole.

As part of our commitment to a sustainable future, ACCIONA Energy Australia Global (**AEAG**) Pty Ltd (ACN 600 910 647) and ACCIONA Energy Oceania Construction (**AEOC**) Pty Ltd (ACN 164 011 723) (collectively, ACCIONA) as the relevant reporting entities for Australia, have prepared this Joint Modern Slavery Statement in line with the requirements of the Australian *Modern Slavery Act 2018* (Cth) (**Act**). This is AEAG and AEOC's first Modern Slavery Statement under the Act.

An estimated 40.3 million people were directly impacted as a result of modern slavery in 2020.<sup>2</sup> 24.9 million of those people were working in forced labour. There are around \$354 billion of at-risk products imported by G20 countries. Modern slavery is embedded in almost every industry within company supply chains in one form or another. Global companies that source materials, engage with overseas suppliers or carry out operations in other countries have a social responsibility to ensure that their

operations do not contain modern slavery and simultaneously implement strong policies that mitigate instances of modern slavery.

As the ACCIONA group remains focused on sustainability and the fight against climate change, we believe the **link between climate change and modern slavery** is important to address. Through our innovation, construction and operation of sustainable energy solutions, we seek to secure a safe and sustainable environment for the global community. By securing our environment's future we are creating a more stable and secure setting for workers. Our approach seeks to mitigate the long-term practices of modern slavery. Long-term mitigation of critical risks potentially makes the greatest contribution to addressing modern slavery.

This statement reports on the steps taken by ACCIONA to combat the existence and risks of modern slavery within our company and related internal and external channels. This statement forms part of our ongoing reporting obligations alongside our group's annual integrated *Sustainability Report*.<sup>3</sup>


This statement references initiatives or events, some of which occur after 31 December 2020. Where initiatives are forward looking, these incentives and actions are not always of fact and there is no guarantee of their outcome.

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<sup>1</sup> <https://www.acciona.com.au/projects/>.

<sup>2</sup> <https://www.globalslaveryindex.org/2019/findings/executive-summary/>.

<sup>3</sup> Sustainability Report 2020.



*"We are experts in  
designing a better planet".*

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## About Acciona

**Business as Unusual.** The ACCIONA group are championing a different way of doing business that promotes the welfare of society and the planet, going beyond economic interests. Our objective is to invest in sustainable projects that make the world a better place.

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**226** Tier 1 suppliers

**AUD82.6 million** of Tier 1 ACCIONA supplier materials

**39,699** ACCIONA group employees

**31%** of employees<sup>1</sup> are women

**10, 117MW** of renewable energy globally

**Carbon Neutral** since 2016

**Global 100** Most Sustainable Corporations 5 years running

**World's greenest power utility** for the sixth year running by Energy Intelligence

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### ACCIONA in Australia

ACCIONA has been present in Australia since 2002 and has invested AUD\$1 billion through local investment opportunities and project development.<sup>4</sup>

ACCIONA is a major player in the renewable energy market in Australia. AEAG owns four wind farms in Australia and is in part-ownership of a fifth. In

2020, ACCIONA announced that we will be building two more wind farms, MacIntyre and Karara which will provide an additional 1,026 MW in Queensland. ACCIONA's commitment to renewable energy and a sustainable future for our planet drives our investment in meaningful avenues to increase the quality of public welfare for a better world. We believe in our obligation to help support and be leaders in the foundations of prosperous societies. This is why we drive the delivery of policies and procedures that pursue the protection of human rights throughout all business operation channels.

The objective of the global Board of Directors is to represent and foster the social interests of the company. This is administered via the three primary parent company committees: Appointments and Remuneration Committee; Audit Committee and Sustainability Committee. The decisions of these committees are adopted by the ACCIONA group globally.

The **Sustainability Committee** is responsible for leading sustainability-related actions. The committee assesses the degree of compliance with the company's sustainability policies regarding environmental and social matters and the corporate social responsibility of the Board of Directors.

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<sup>4</sup> Capability Statement Australia 2020.

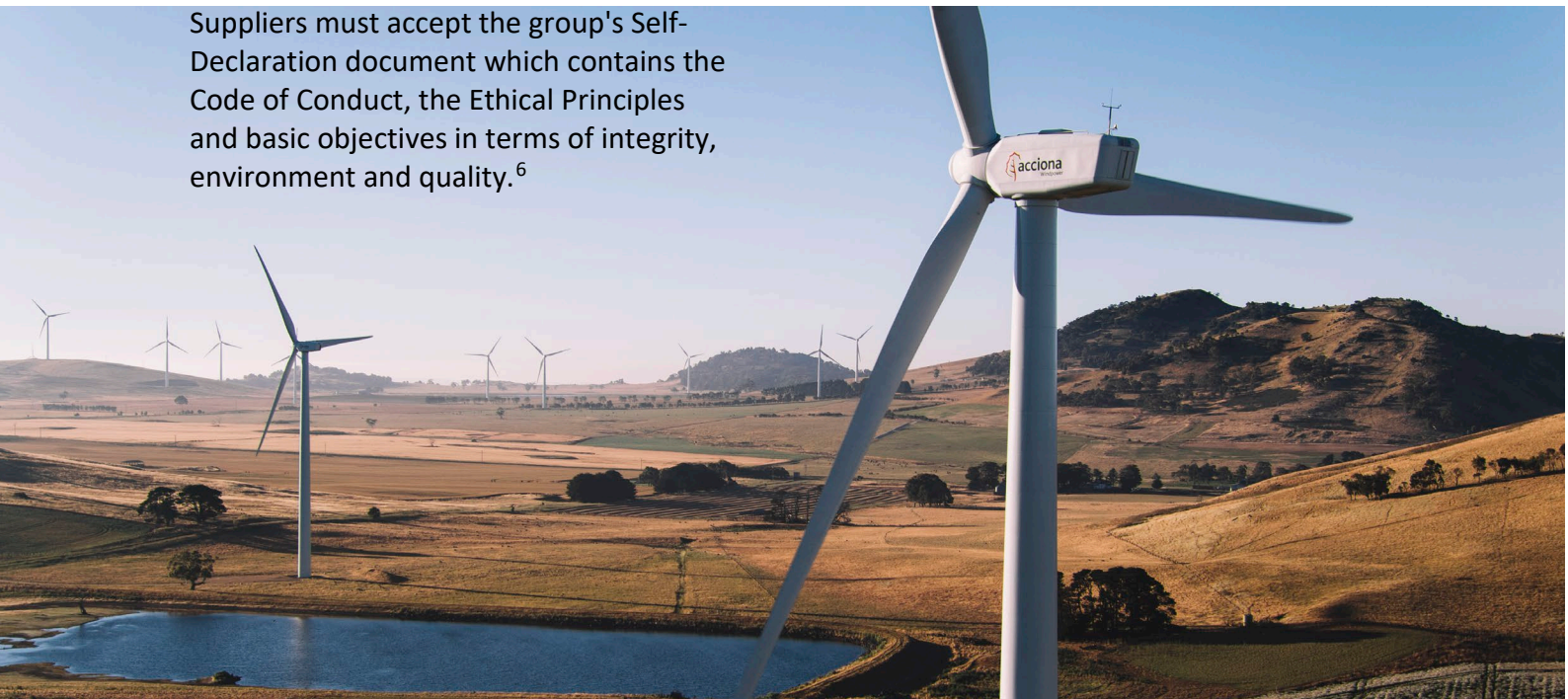
Our projects take on a number of forms including the construction and operation of renewable energy solutions. We require a number of varying human and physical resources. Through our identification of these resources we have recognised the following **risk areas** in our supply chain, via highest spending, which include: **wind and solar generating components, construction and civil work, transport logistics and industrial machinery**. 18% of the group's purchases are concentrated in 10 suppliers.

### Code of conduct

A core element of the ACCIONA group's operating direction is our **Code of Conduct**. This is our company's foundational policy and compliance is mandatory for **all** ACCIONA employees.<sup>5</sup> The Code of Conduct was approved by the global Board of Directors and applies to all group subsidiaries. Our Code of Conduct is the building block for establishing strong governing policies that apply to **all** ACCIONA entities and employees. Suppliers must accept the group's Self-Declaration document which contains the Code of Conduct, the Ethical Principles and basic objectives in terms of integrity, environment and quality.<sup>6</sup>

Throughout 2020, there were more than 193,000 communications via acceptance of the Supplier Self-Declaration of Responsibility and any supplier that does not accept this document is prohibited from working with the company.<sup>7</sup> This process seeks to ensure our contractors and collaborators uphold our expectation of high ethical conduct throughout our operations. ACCIONA group's internal commitments to operate ethically and ensure our international obligations are upheld are driven by establishing the principles within the Code of Conduct. In 2020, the Refinitiv Diversity & Inclusion Index ranked ACCIONA among the one hundred best companies worldwide in diversity and social inclusion.<sup>8</sup>

ACCIONA has a Code of Conduct Committee, a body that monitors its compliance. Moreover, it has an Ethical Channel that facilitates communication regarding irregular conduct in relation to the Code.



<sup>5</sup> Internal Code of Conduct: ACCIONA, S.A. and its group of companies.

<sup>6</sup> Sustainability report 2020,111.

<sup>7</sup> Sustainability report 2020, 114.

<sup>8</sup> Sustainability report 2020, 17.

## Approach and Commitment

ACCIONA is committed to upholding the **Universal Declaration of Human Rights** and related international instruments to respect human rights and combat modern slavery.

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ACCIONA group is committed to upholding the Universal Declaration of Human Rights and related international instruments to respect human rights and combat modern slavery. ACCIONA group is dedicated to diagnosing, evaluating and alleviating human rights breaches and to provide a safe and accessible platform to report and remedy any breach within its corporate structure and supply chain. Our approach to upholding human rights is expressed in our company's beliefs and values that we share amongst all employees and external engagements. These beliefs are implemented through our policies and procedures.

ACCIONA group encourages the reporting of conduct or information that may signal unethical behaviour. Our **Whistle Blower Statement and Policy** provides a plan of action for our employees and external suppliers, contractors and collaborators to have a platform and opportunity to report unacceptable conduct to an internal Whistle-blower Officer or via an anonymous external service.<sup>9</sup> This initiative is imperative to the mitigation of risks and minimisation of instances of injustices within our operations and supply chain. This Policy is essential in the context of the mitigation and rectification of modern slavery. A Whistle Blower Policy provides a safe avenue for employees, contractors, NGO's, third parties and essentially any stakeholder to

report instances of modern slavery and delivers a clear pathway for reporting.

Our **Sustainability Master Plan (SMP) 2025** outlines our strategic and operational objectives in seven specific areas. Among them **society, corporate governance, labour rights, environment** and **value chain** highlight the importance of identifying instances of human rights risks within our operations.

**Society:** our objective is to improve people's quality of life. To achieve this, work is being carried out in areas of social management, dialogue and leadership, social action and volunteering. Our **Social Impact Management** was implemented on 127 projects in 2020.

**Corporate governance** is centred on human rights, ethics, risk management and transparency. ACCIONA group is *on track* to adapt our Code of Conduct to incorporate the most highly advanced practice. The Code of Conduct must be read and accepted by all employees. The implementation of a **Human Rights Respect, Protection and Remediation programme** for all activities and markets resulted in ACCIONA group holding human rights training for suppliers and employees.<sup>10</sup>

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<sup>9</sup>ACCIONA policy: HR-POL-WBL Whistleblower Policy Statement, [2].

<sup>10</sup>Sustainability report 2020, 17.

## Modern Slavery Assessment

**Modern slavery** refers to situations where one person has taken away another person's freedom – their freedom to control their body, their freedom to choose to refuse certain work or to stop working.<sup>11</sup> All suppliers, contractors and collaborators involved in ACCIONA's procurement process must share its sustainability values, which incorporates the ethical conduct within its supply chain and operational activities, which ultimately links back to the abatement of modern slavery.<sup>12</sup>

ACCIONA is committed to the identification, assessment and mitigation of instances of modern slavery within its operations and supply chains. We understand that modern slavery is present in all industries and that it is our responsibility to identify and mitigate any occurrences of modern slavery that are a result of both direct and indirect operations of our company.

### 2021 challenges in the supply chain management

1. 0 % of general purchases from No Go suppliers, as they involve a high risk to sustainability.
2. ESG assessment: 85 % of critical suppliers (national and international) in the company's own works must be approved.  
  
95 % of the approved suppliers during the year will have analysed the supply chain variable.
3. 90 % of the suppliers undergoing the process for certification/audit and having risks in OHS issues will be subject to an action plan for reducing the risk.

## Supply Chain Data

### Distribution of suppliers by type and division

Business line	Total No.	% Outside of Spain	% Critical	% Local
Energy	2,492	61 %	13 %	93 %
Infrastructure				
- Construction	8,774	55 %	12 %	96 %
- Concessions	244	33 %	7 %	57 %
- Water	2,920	44 %	10 %	91 %
- Services	2,680	20 %	7 %	99 %
Other business*	2,310	15 %	6 %	87 %
<b>Total</b>	<b>19,420</b>	<b>44 %</b>	<b>10 %</b>	<b>94 %</b>

<sup>11</sup> The case for an Australian Modern Slavery Act, *Walk Free Foundation 2017*, 3.

<sup>12</sup> Sustainability report 2020, 115.

### Local suppliers

At ACCIONA, working with local suppliers not only has a positive impact on the economic development of the communities where it operates, but also minimises operating risks by reducing product delivery and service execution times.

### Critical suppliers

The level of criticality of suppliers and contractors depends on the economic risk: any supplier with which ACCIONA has more than €100,000 in purchases per year is considered critical. In 2020, 10% of the supplier base was considered critical, accounting for 94% of the contracts.

By **geographical area**, 86% of ACCIONA group's total purchases in 2020 were from 10 countries.<sup>13</sup>

### Supply chain analysis

- ACCIONA group's global supply chain management is coordinated by the **Procurement Coordination Committee**, made up of the Procurement Directors of the group's Infrastructure, Energy and Corporate divisions.
- The group's Corporate Procurement Standard, together with the related procedures, which are integrated into the Enterprise Resource Planning, the planning and reporting tools and the PROCUR-e system, are the instruments that collect, support and control the procurement function and its management.
- **PROCUR-e** is the primary mechanism for collecting and managing the risk of the supply chain which then generates a **Risk Map** based on

available data. In 2020, 100% of the suppliers awarded in PROCUR-e have a Risk Map.<sup>14</sup>

### Risk Map

ACCIONA group's Risk Maps incorporate assessment of Environmental, Social and Governance (**ESG**) initiatives that are implemented as part of our supplier standards. The "**Country risk**" variable is used on the Risk Map comprising several indexes extracted from Maplecroft and linked to various factors: child labour, freedom of association and collective bargaining, forced labour, fair working hours, fair minimum wage and discriminatory practices. Suppliers in countries that score the lowest are considered high risk and must be audited. Control over suppliers from designated high-risk countries continues to increase, as they pose the greatest threat to the group. These are known as "MACS" (Mandatory to be Audited Critical Suppliers). In 2020, ACCIONA group had 55% more suppliers with a Risk Map compared to 2019, with a total of 45,461 companies monitored on a daily basis.

Although ACCIONA does not have a direct contractual relationship with its suppliers' supply chain, it is aware of its duty to supervise all its agents. In this context, the company considers *non-Tier 1 suppliers* that carry out work in its facilities and projects to be critical from a health and safety perspective. These suppliers are regulated through contractual clauses from the relationship with Tier 1 suppliers, and specific tools for the coordination of business activities. A total

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<sup>13</sup>Acciona Sustainability report 2020, 106.

<sup>14</sup>Sustainability Report 2020, 18.



of 6,660 indirect suppliers were registered on these platforms by the end of 2020.<sup>15</sup>

## No Go Policy

A supplier is classified No Go because of their ethics and integrity or because their name appears on international sanctions or they are proven non-compliant with the UN Global Compact (checked in Dow Jones Risk & Compliance database). As a result they are considered to be a No Go by ACCIONA group and any future engagement, if any, will be conducted with caution.<sup>16</sup>

171 suppliers were categorised as No Go in 2020 of which 53 have been removed from this category following audit, action or improvement plans, or Enhanced Due Diligence.

## Suppliers and contractors

**Supplier Evaluation and Approval Procedure** is ACCIONA group's main instrument for evaluating its supply chain.

Since 2017, ACCIONA group has conducted its **Supplier Satisfaction Survey**. This survey is conducted to analyse ACCIONA's relationship with its supply chain contacts through opinions, assessments and experiences. The survey in 2020 was sent to 22,187 suppliers globally with 15% responding.

ACCIONA group's commitment to control and monitor its suppliers is enshrined in our **Responsible Supplier Declaration** and managed through our **Qualification and Evaluation Assessment**. These instruments reflect the ethical principles we are committed to under the [United Nations Global Compact](#), which communicate fundamental Human Rights

and Labour Rights. As a result of the Assessment, suppliers are allocated a rating level of either A, B, C or D.

A supplier's performance is deemed unsatisfactory when they received three D ratings. This may result in the supplier being labelled "Non valid" by the ACCIONA group. This situation may be reversed when any of the issues that were causing it have been remedied, which will be verified through an audit, if applicable, or by drawing up an action plan to mitigate and resolve the shortcomings. Likewise, the supplier company confirms that it has read and accepted the [Code of Conduct](#) and [Ethical Principles for suppliers, contractors and collaborators](#) of ACCIONA, and that it knows, accepts and undertakes to comply with ACCIONA's minimum standards for integrity, quality, environment and personal data protection.

## Ethical Channel

ACCIONA group's Ethical Channel is the tool available to all employees, suppliers, customers and collaborators so that they can communicate any doubt, query or report any irregularity related to the Code of Conduct and the Anticorruption Guidelines.

The management of the Ethical Channel is the responsibility of the group's Code of Conduct Committee that periodically informs the Board of Directors, through the Audit Committee, about the complaints received and their resolution. Once the communications have been analysed, if it is concluded that there is a breach of any of the principles contained in the Code, the imposition of sanctions will be decided, in accordance with

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<sup>15</sup> Sustainability report 2020, 109.

<sup>16</sup> Sustainability report 2020, 141-142.

internal procedures, current conventions and legal regulations.

Throughout 2020 ACCIONA group received 74 communications through the Ethical Channel. None of the reports received referred to the giving or offering of bribes or any other type of remuneration or similar consideration, to any public or private person or entity in order to illegally obtain or retain a business or a competitive advantage for the group. No reports related to human rights or tax issues have been received.<sup>17</sup>

### **Training and Workshops**

ACCIONA's Australian Executive Team took part in an interactive Modern Slavery Workshop in March 2021. This workshop was run by an external entity that sought to educate the reporting entity on modern slavery, the risks that modern slavery poses to business and how to identify modern slavery in ACCIONA's supply chain. The workshop provided an overview of risk mitigation techniques within different industries relevant to ACCIONA's operations. This Workshop is the foundation ACCIONA will use to continue its training and comprehensive approach to identifying, analysing and mitigating risks and incidents of modern slavery within its sphere of influence.

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<sup>17</sup> Sustainability report 2020, 95.

## Human Rights Framework

As established in the Code of Conduct, the Human Rights Policy and the Human Resources and Occupational Risk Prevention Policy approved by the Board of Directors, ACCIONA group supports, respects, and contributes to the protection of internationally recognised fundamental human rights, making sure not to be complicit in any form of abuse or violation of those rights with regard to employees, suppliers, contractors, collaborators, partners, competitors, customers, local communities, and society in general.<sup>18</sup>

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Respect for human rights is a responsibility of all the people and organisations to which the Code of Conduct applies, including all businesses and project managers. Among the basic behavioural guidelines to which ACCIONA adheres are the Universal Declaration of Human Rights and the corresponding international Agreements adopted by the United Nations General Assembly, and the Declaration of Fundamental Principles and Rights at Work and ILO Conventions; the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; the OECD Guidelines for Multinational Enterprises; the United Nations Convention on the Rights of the Child; the United Nations Global Compact and the Seoul Declaration on Health and Safety at Work.

### United National Global Compact and other Global principles

ACCIONA group has joined the United Nations Global Compact and has undertaken to phase in the ten Universal Principles into its daily business. ACCIONA group recommends to suppliers that they also join the UN Global Compact. In addition to these guidelines, ACCIONA group adheres to the Declaration of

Fundamental Principles and Rights at Work, the ILO Conventions and the OECD Guidelines for Multinational Enterprises.

*Jose Manuel, Chairman and CEO Acciona group, signed the 'CEO Guide to Human Rights' in 2019.*

### Human Rights Policy

Through ACCIONA group's Human Rights Policy, we pledge to respect the human rights and freedoms recognised in the Universal Declaration of Human Rights and its main instruments.<sup>19</sup>

In 2020, the company started a review process of its Human Rights Policy, which will be approved in 2021, to adapt it as far as possible to the terms of the UN Guiding Principles on Business and Human Rights. This readjustment sees ACCIONA assuming responsibility for avoiding the possible negative effects of its activities and taking the measures necessary to prevent, mitigate and, where relevant, remedy them.

The Human Rights risk categories in the countries where the company has operations are reviewed and analysed, according to Maplecroft's methodology.

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<sup>18</sup> Human Rights Policy.

<sup>19</sup> International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights; ILO Declaration on Fundamental Principles and Rights at Work; Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; OECD Guidelines for Multinational Enterprise; United Nations Global Compact; United Nations Guiding Principles on Business and Human Rights.

The categories of Human Rights assessed include: freedom of association, forced and child labour, rights of migrant workers, fair pay, working hours, safety and health, freedom of opinion and expression, minority rights, indigenous people, women and girls, job discrimination in employment and rights of access to basic services. These categories are based on the Global Reporting Initiative (GRI) that ACCIONA group uses to guide its analysis of practices. The GRI sets out global standards that ACCIONA uses to produce its Sustainability report that drives transparency and honest reporting practices.

As a result of this engagement in 2020 a Human Rights Diagnosis was carried out in four projects across countries, one of them being for ACCIONA's **Mortlake Project** (Victoria). This diagnosis was based on the "**Quick Check**" developed by the Danish Institute of Human Rights, which consists of 28 questions and 240 indicators.

Quick Check has three focus areas:

1. Employment Practice
2. Community Impact
3. Supply Chain Management

The main objective of the diagnosis was to detect actions for improvement for ACCIONA's Human Rights performance. ACCIONA's Supply Chain group, were part of the analysis.

To encourage and support the education of our employees in identifying and gaining knowledge about human rights, a specific Human Rights training course developed with the Spanish network of the Global Compact

was launched in 2019. This course is still available for the ACCIONA employees.

Through our **Social Impact Management (SIM)** we assess human rights risks related to communities where ACCIONA group projects take place. Using this analysis as a starting point, those projects in which medium or high human rights risks are detected must establish, using the internal Social Impact Management methodology, specific processes and procedures to establish prevention measures for the potential impacts. In 2020, in 25 projects where the SIM system has been implemented, a risk of possible violation of human rights was found. In all of them, measures were taken to prevent such infringements occurring.<sup>20</sup> By increasing the social viability of the communities where we operate and employ local contractors, we simultaneously reduce the risk of human rights violations and cases of modern slavery.

## Audits and Due Diligence

Since 2017, group external audits have been conducted to assess the **Social Impact Management** methodology that guides the Human Rights due diligence process:<sup>21</sup>

- 2017: 9 audits
- 2018: 8 audits
- 2019: 8 audits
- 2020: 7 audits

In 2020, the audit was broadened to include an analysis of the *Guide to Human Rights Impact Assessment and Management*<sup>22</sup> to ascertain the potential

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<sup>20</sup> Sustainability report 2020, 52.

<sup>21</sup> Sustainability Report 2020, 125.

and/or existing risks and impacts of human rights in the projects, and to determine the ability to manage them.<sup>23</sup>

In 2021, ACCIONA is working on establishing stronger human rights management processes in order to ensure that effective human rights due diligence is implemented. The aim is that impacts on human rights can be identified, prevented, mitigated and accounted for, and to confirm how the company addressed them according to UN Guiding Principles on Business and Human Rights.

**Sustainable Development Goals (SDGs)**  
*"What if the smartest decision was to invest in the planet?"*

ACCIONA group is committed to fulfilling its contribution to the Sustainable Development Goals through its **Social Action Plan**. ACCIONA group applies the international London Benchmarking Group methodology to evaluate our contribution to the 17 **SDGs**. The breakdown of our achievement is seen below:

By actively contributing to the improvement of socioeconomic systems through the achievement of the SDG's, ACCIONA group is able to meet the needs of its project communities. ACCIONA group seeks to simulate local communities through job creation, training local workers and improving community infrastructure. This gives power to local community members who are the core of our business operations. Our corporate foundation, **ACCIONA.org, The Energy and Water Foundation** is the driving force behind our contribution to the SDG's focusing on **economic, social and environmental** development. Through core business functions and ACCIONA.org we directly contribute to: **SDG6** on water & sanitation, **SDG7** on sustainable & affordable energy, **SDG9** on resilient infrastructures and promotion of innovation, **SDG 11** on sustainable cities and communities and **SDG 13** on climate action.<sup>24</sup>



<sup>22</sup> Guide drawn up by the International Business Leaders Forum, IBLF and the International Finance Corporation, IFC, in association with the United Nations Global Compact Office.

<sup>23</sup> Sustainability report 2020, 125.

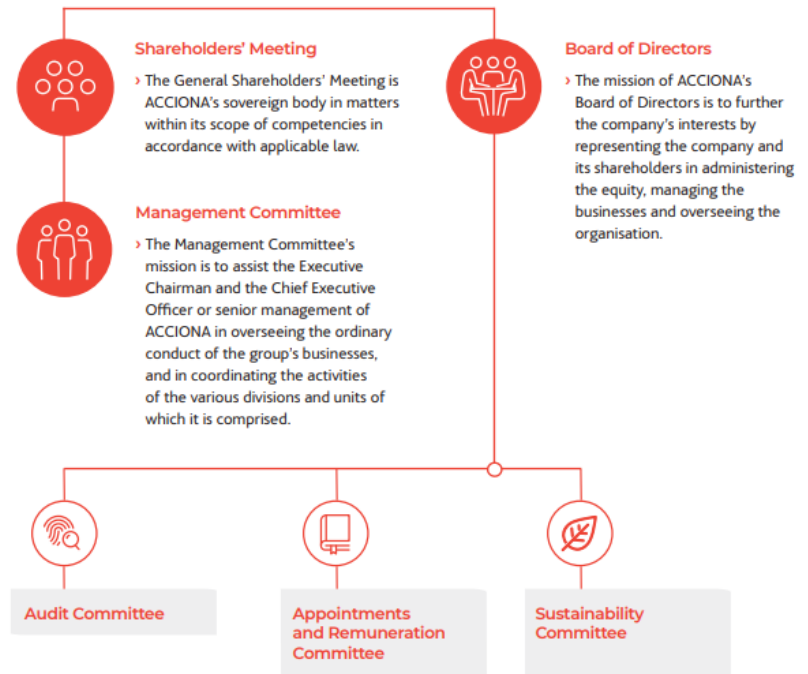
<sup>24</sup> ACCIONA.org – Impact Summary 2020.

# Corporate Governance

## Effective, strategic, customised governance

### ACCIONA'S GOVERNANCE STRUCTURE

ACCIONA's governing bodies are committed to continuous improvement, striving for effective, transparent and rigorous management of all the company's businesses and operations. Corporate governance practices at ACCIONA help generate value and safeguard the long-term interests of the company, its shareholders and other stakeholders.



## Australian Board of Directors

Both Australian reporting entities share a common director who is on ACCIONA's global Management Team. It is the responsibility of the global Management Team to assist the Executive Chairman and CEO, or failing that, ACCIONA Group's senior management to monitor the group's ordinary business management and to coordinate the activities of the different ACCIONA divisions and units.<sup>25</sup>

This all-encompassing global approach provides a cohesive direction across the group. This structure offers accountability within the corporate structure from ACCIONA S.A through to its subsidiaries. The structure of having an Australian director on the global management team creates a clear line of communication and responsibility to flow throughout the entire corporate structure. This structure secures, for example, access for an Australian employee to the comprehensive Ethical Channel to raise concern.

This unified methodology is essential to the group's overall approach to internal operations and external engagements. With our projects incorporating a number of international elements, both operational and supplier, it is imperative that the group, wherever appropriate, administer common policies across our entire operation.

<sup>25</sup> <https://www.acciona.com/shareholders-investors/>.

## Impact of COVID-19

***"There are no borders in this crisis, no states, no north or south" – José Manuel Entrecanales, Chairman Acciona***

Our group's work in many regions is focused on the delivery of essential services such as electricity and water, as well as operating in the front line in hospitals and ambulances, and providing facility cleaning services. As a key provider of these services our group have sought to maintain our philosophy of delivering client and customer expectations in a sustainable and ethical manner. As was seen across the globe, the pandemic brought with it an array of challenges, particularly amongst suppliers. Despite these challenges ACCIONA group administered a **no excuses** approach in its conduct and interaction with suppliers, contractors and collaborators during the pandemic. As we manoeuvre our way into a post-COVID-19 outlook, the ACCIONA group continues to adapt and maintain its ethical principles and interactions.

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As COVID-19 brought with it complications beyond global health challenges, our business model and particularly our supply chain had to rapidly adapt to our new working environment. Factories globally were forced to close. This caused an increase of workers into the informal economy thus increasing modern slavery risks. The UN's International Labour Organisation believes the earning capacity of nearly 1.6 billion informal workers has been damaged as a result of the pandemic. These risks extend beyond the manufacturing sector to encompass construction, agriculture, services and hospitality.<sup>26</sup>

Due to the challenges posed by the pandemic and the increased risks to supply chain stability, the group continues to observe and update its way of operating and obtaining resources needed

for projects. As the pandemic has resulted in a number of manufacturing delays, regional lockdowns and high health risk scenarios, our response has been people-focused with the maintenance of employee wellbeing our highest priority. The group has implemented a number of protocols which have positively influenced the mitigation of human rights risks.

As part of ACCIONA group's response to COVID-19 the company implemented all measures recommended by the World Health Organisation (WHO). Internal measures that incorporated WHO recommendations included ACCIONA's Protocol of Action, which formalised different risk mitigation procedures to safeguard occupational health, and the security and safety of the company.

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<sup>26</sup> International Labour Organisation.

Delays in manufacturing and transportation of essential materials occurred in varying degrees globally. In Australia, ACCIONA's projects are mainly concerned with infrastructure projects of wind turbines. As such, our response in Australia was dependant on other suppliers being able to continue production of essential materials for these projects.

Despite the turbulence caused by the global pandemic, the events of 2020 have increased the global outlook on renewable energy projects. This move has resulted in ACCIONA group strengthening its growth potential, with the company recording a pipeline of construction and water projects at record highs. We believe, as the world begins to plan for

what a post-COVID-19 world looks like, there will be particular focus on sustainability and a transformative sector which places the ACCIONA group favourably within these industries.<sup>27</sup> The sustainability discourse that has resulted from the pandemic provides a positive prospect for climate change initiatives and renewable energy to grow in the global spotlight. Risks associated with climate change, such as the increased risk of modern slavery, will likewise begin to dominate global conversation, which we predict will impose greater corporate responsibility to operate in an ethical and sustainable manner.

***COVID-19 heightens corporate exposure to modern slavery risk.***

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<sup>27</sup><https://mediacdn.acciona.com/media/zikcb1ro/accion-results-report-fy-2020.pdf>.



## Future focus

As we continue to live with the reality of the social and economic changes that have emerged from the global COVID-19 Pandemic, ACCIONA group is determined and firmly committed to ESG, including Human Rights goals committed to at the start of 2020.

### Link between Climate Change & Modern Slavery

**How:** climate change will increase human migration flows across state borders. This will equate to an increase in exploitation of desperate people gambling their safety in the hope of achieving personal security. As climate change increases the risk of extreme weather events, low-income communities will disproportionately be exposed to high-risk behaviour, including workers exploitation, toxic working conditions and forced labour (modern slavery).<sup>28</sup>

**Climate Change Vulnerability Index** evaluates the vulnerability of human populations to extreme climate events and changes in climate. It combines exposure to climate extremes and change with human sensitivity to those climate stressors and the capacity of the country to adapt to the climate change impacts.

**Solution:** Mitigation is the hardest but most important element of addressing risks of modern slavery. **In the broadest sense the mitigation of modern slavery risks are achieved by winning the battle against climate change.** At ACCIONA, we believe our contribution to mitigating risks of modern slavery can be comprehensively achieved through our

**sustainability goals**, in particular meeting climate change objectives.<sup>29</sup>

### Our goals

Our commitment to the development of communities we operate in are embedded in our **Social Action Policy**. We understand that any form of modern slavery is unacceptable and we will continuously work towards improving and implementing policies and procedures to combat these risks.

### Future Actions<sup>30</sup>

As part of our commitment to identify, mitigate and respond to our risk assessment, our targets include:

- ACCIONA group's all-encompassing *Human Rights Guide*, is currently being prepared which will incorporate all forms of modern slavery;
- design and implement a digital tool to measure socio-economic and environmental impact that can be accessed by all company businesses;<sup>31</sup>
- continuous analysis of our *Supply Chain Risk Map* – adjusting the methodology to incorporate appropriate policies and strategies;

<sup>28</sup> International Organization for Migration (The UN Migration Agency).

<sup>29</sup> J Murray and A Malik, *Open Analysis Addressing Slavery Supply Chains*, The University of Sydney.

<sup>30</sup> Sustainability report 2020, 17.

<sup>31</sup> Sustainability Report 2020, 117-118.

- In 2021 our updated Human Rights Policy will be approved to include as far as possible the UN Guiding Principles on Business and Human Rights.



This Joint Statement was approved by the Board of Directors of AEAG and AEOC who are the reporting entities. Brett Wickham, as a Director of each reporting entity, was authorised to sign this Joint Statement on behalf of AEAG and AEOC.

A handwritten signature in black ink, appearing to be 'Brett Wickham', written over a horizontal line.

Brett Wickham

Director, ACCIONA Energy Australia Global Pty Ltd  
Director, ACCIONA Energy Oceania Construction Pty Ltd